

STATE OF MICHIGAN



DEPARTMENT OF MANAGEMENT AND BUDGET
OFFICE OF RETIREMENT SERVICES

Eligible Domestic Relations Orders

Office of Retirement Services

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Introduction

An Eligible Domestic Relations Orders (EDRO) is a specific type of court order that divides a public employee's retirement pension. The Office of Retirement Services (ORS) implements EDROs under four public retirement systems. These systems are:

- Judges Retirement System
- Public School Employees Retirement System
- State Employees' Retirement System
- State Police Retirement System

Each EDRO must meet the requirements of the EDRO Act (MCL 38.1701, *et seq*; MSA 5.4002 (1) *et seq*) and the applicable retirement statute before it can be implemented.

This booklet provides background information to those parties or their representatives who may wish to file an EDRO with one of the four retirement systems. While every attempt has been made to ensure the accuracy of this document, ORS is bound by the requirements of the EDRO Act and applicable retirement statutes. Therefore, if any discrepancies occur, the provisions of the statutes prevail.

The information in this booklet is not legal advice. The sharing of a pension under an EDRO involves the rights of two individual parties, typically a member of a public retirement system and the member's former spouse. The interests of these parties are often very different. Also, EDROs have limitations and may not be the best answer to your particular situation. Individuals who are considering filing an EDRO should consult an experienced attorney.¹

The EDRO Act does not apply to a divorce that occurs after retirement. Please contact ORS for information concerning post-retirement pension division.

Important Terms And Explanations

Participant — a member or former member of the governing retirement system.

Alternate Payee — a spouse of a Participant under a judgment of separate maintenance, a former spouse, child, or dependent of a Participant who is named in an EDRO.

Domestic Relations Order — a judgment, decree, or order of a court made pursuant to the domestic relations law of Michigan. These orders relate to the provision of alimony payments, child support, or marital property rights to a spouse of a Participant under a judgment of separate maintenance, or to a former spouse, child, or dependent of a Participant.

Eligible Domestic Relations Order (EDRO) — a domestic relations order divides retirement benefits in a state or local government retirement plan and meets the specific requirements of the EDRO Act.

Earliest Retirement — the earliest date that a Participant meets all eligibility requirements for a pension under the applicable retirement system, but *continues in employment*.

If the EDRO includes the earliest retirement provision, the Alternate Payee will be eligible to receive payments when the Participant is first eligible for retirement, or later, but no later than when the Participant actually retires.

Single Life Annuity payments (see *Payment Forms* on page 5) will begin the month following the date the Alternate Payee notifies the retirement system in writing of the election to begin receiving payments. If payments begin to the Alternate Payee under the earliest retirement provision and the Participant works past the age of 60, an additional reduction to the Participant's pension may occur.

¹You may wish to contact the State Bar of Michigan Lawyer Referral Service for the names of attorneys or law firms. An additional resource for attorneys: *QDROs, EDROs & Retirement Benefits, A Guide for Michigan Practitioners*, edited by Nancy Keppelman and Katharine B. Soper, The Institute of Continuing Legal Education.

Parties who consider placing the earliest retirement provision in an EDRO should carefully read the following section on Recoupment.

Recoupment — the amount of the monthly benefit that is subtracted from the Participant's total monthly pension payment in order to reflect the portion of the pension assigned to the Alternate Payee. Recoupment is especially important in cases where:

An EDRO contains the "earliest" retirement provision, and

The Participant may continue to work after reaching age 60.

IMPORTANT — Read *Understanding Recoupment* on page 7 of this booklet to better understand the financial impact of recoupment on the Participant's pension payments.

Post-Retirement Increases — Some retirement systems administered by ORS pay post-retirement increases. These increases are either guaranteed or non-guaranteed. Examples of guaranteed increases include the annual increase provided under the State Employees' and State Police Retirement Systems, and under the Member Investment Plan for Public School Employees Retirement System members. Non-guaranteed increases include supplemental payments.

If the Judgment of Divorce excludes payment of post-retirement increases, the EDRO must state that such increases are to be excluded from the Alternate Payee's benefit. Unless the EDRO specifically states that such increases are to be excluded, when a percentage is assigned, ORS includes a prorated share of any post-retirement increases in the Alternate Payee's benefit and when a dollar amount is assigned, a dollar amount of any post-retirement increases must be stated in the EDRO.

Survivor Benefits — There are two kinds of survivor benefits payable under the retirement systems — Pre-retirement survivor benefits and post-retirement survivor benefits.

- **Pre-Retirement Survivor Benefits** — The EDRO may include a provision that allows the Alternate Payee to receive a

payment if the Participant dies while employed under the applicable retirement system. The Alternate Payee can receive payment as a surviving spouse based on the benefit specified to be paid in the EDRO.

By including the surviving spouse clause in the EDRO, the Alternate Payee is guaranteed a payment if the Participant dies while in active employment and before the Alternate Payee begins to receive payment. If this clause is not included and the Participant dies before the Alternate Payee's payments begin, the Alternate Payee receives nothing under the terms of the EDRO.

If the benefit specified for the Alternate Payee is less than the entire amount payable to a survivor, the retirement system will pay the remaining portion of the survivor benefit to the Participant's present surviving spouse. If the Participant's present surviving spouse waives the right to receive survivor benefits, or if the Participant is not married at the time of death, then the system will pay the remaining portion of the survivor benefit to the eligible beneficiary as determined by law and the retirement system and who was previously nominated by the Participant.

- **Post-Retirement Survivor Benefits** — The EDRO may provide for a joint survivor option, so long as such an option is available under the applicable retirement system. A joint survivor option can be paid only when the Participant and Alternate Payee begin receiving payments at the same time.

Each retirement system has its own payment forms. If the EDRO provides for a post-retirement option, it must be an option that the governing retirement system provides. The State Police Retirement System does not provide for a joint survivor option as a post-retirement payment form. For more information see the *Payment Forms – Joint Survivor Option* section on page 5.

Requirements

In order to meet the requirements of the EDRO Act, the EDRO must be filed before the Participant's effective retirement date, and must include the following:

1. Participant's name, date of birth, last known address, and Social Security number.
2. Alternate Payee's name, date of birth, last known address, and Social Security number.
3. Percentage or dollar amount of the Participant's pension to be assigned to an Alternate Payee, or the manner in which the retirement system is to determine the amount of the assignment.
4. Statement that the EDRO applies to the named retirement system and that the system will make payments to the Alternate Payee as required by the EDRO and the EDRO Act.
5. Form of payment to be paid to the Alternate Payee that is permitted under both the EDRO Act and the governing retirement system.
6. Statement indicating when the Alternate Payee's payments must begin and when they must end.

An EDRO cannot require the retirement system to provide:

1. A type or form of benefit not provided by the retirement system or not provided by the EDRO Act.
2. An increased benefit determined on the basis of actuarial value.
3. An increased benefit based on the amount payable to another Alternate Payee under a previously filed EDRO.
4. Insurance coverage under the retirement system for the Alternate Payee.
5. A lump sum distribution.
6. A conversion of the Alternate Payee's lifetime benefit to an optional form of payment.

The EDRO Act states that each retirement system must determine whether an EDRO is valid. If the retirement system determines that an order is not valid, the retirement system will reject the order and notify the Participant and the Alternate Payee of the reasons why the order does not comply with the EDRO Act. MCL 38.1701. If an order is rejected for noncompliance, it is the responsibility of the Participant and the Alternative Payee to obtain an amended order which meets the requirements of the EDRO Act.

In cases where the EDRO provisions differ significantly from the applicable sample in this booklet, the parties or their attorneys may wish to file a proposed EDRO before it is entered by the court. The retirement system will then review the proposed EDRO to verify whether it complies with the EDRO Act. This review process is particularly recommended in divorces that are contested, since it might be difficult in those situations for the parties to agree upon modifications which would be needed to bring the order in compliance with the EDRO Act. **Nevertheless, a valid EDRO must be on file with the retirement system before the Participant retires.**

Contributions

ORS will not refund member contributions to a Participant if such a refund would affect the benefits to an Alternate Payee under an EDRO. When an EDRO is on file with the retirement system and the parties later decide that they want to receive a refund of contributions, they must have the EDRO vacated by the court and file a new court order with the retirement system. The new order must specify how the refund should be divided.

Payment Forms

The Alternate Payee may receive payments based on one of the following payment forms:

Single life annuity based on the Alternate Payee's lifetime — This form provides the Alternate Payee with a specified lifetime monthly payment *based on the Alternate Payee's life expectancy*. Payments begin when the Participant retires or at the Participant's earliest retirement eligibility date if the EDRO contains the earliest retirement clause. **Payments stop at the Alternate Payee's death.**

Single life annuity based on the Participant's lifetime — This payment form provides the Alternate Payee with a specified monthly payment *based on the Participant's life expectancy*. Payments generally begin when the Participant retires. **Payments stop at the Participant's death.**

Joint Survivor Option — This payment form is *available only when the Alternate Payee and Participant begin receiving payments at the same time*. The total shared pension is reduced by an option factor in order to provide monthly payments throughout the lives of both the Alternate Payee and Participant. The amount of this reduction will depend on the option selected.

When a joint survivor option is selected, the EDRO must specify the percentage of the shared pension the Alternate Payee is to receive while both parties are alive. This percentage does not have to be the same percentage as the joint survivor option.

Example — If the Participant dies before the Alternate Payee, depending upon the selected option, the Alternate Payee will receive 100%, 75%, or 50% of the shared pension until the Alternate Payee's death. For example, If the Alternate Payee receives 50% of the shared portion under the terms of the EDRO, and the parties select a 50% joint survivor option at the time of the Participant's retirement, payments to the Alternate Payee will remain the same if the Participant predeceases the Alternate Payee.

If the Alternate Payee is assigned 60% of the shared portion and the parties select a 50% joint survivor option at the time of the Participant's retirement, and the Participant predeceases the Alternate Payee, payments to the Alternate Payee will decrease by 10%. Similarly, if the assignment is 40% of the shared portion, at the Participant's death, payments to the Alternate Payee would increase by 10%.

If the Alternate Payee dies before the Participant, the Participant's payment will increase by the full amount of the shared pension, as if the Joint Survivor Option had not been chosen.

In order for a joint survivor option to be selected, payments to the parties must begin at the same time.

The following shows which joint Survivor option(s), if any, are available under each retirement system.

Public School Employees Retirement System and State Employees' Retirement System

100% Option - Once payments begin, if the Participant dies, the Alternate Payee will receive the value of 100% of the shared portion of the pension.

75% Option - Once payment begins, if the Participant dies, the Alternate Payee will receive the value of 75% of the shared portion of the pension.

50% Option - Once payment begins, if the Participant dies, the Alternate Payee will receive the value of 50% of the shared portion of the pension.

Judges Retirement System

50% Option

State Police Retirement System

Does not provide a joint survivor option.

Sample Benefit Illustrations

The EDRO Act states that an EDRO cannot require the Retirement System to pay out more money than the Participant is actuarially entitled to over his or her lifetime. This means that if a portion of the Participant's pension is paid to an Alternate Payee pursuant to an EDRO, then the actuarial value of both benefits – that payable to the Participant plus the portion payable to the Alternate Payee – must equal the original actuarial value of the Participant's pension. The total present value of the amounts paid to the two parties cannot exceed the total value of the shared benefit that the Participant would have received in the absence of an EDRO.

A consequence of this principal is that the monthly benefit actually paid to the Alternate Payee may be more or less than the monthly benefit by which the Participant's pension is reduced. This is because of the differences in the parties' life expectancies.

Example 1: Assume that an EDRO assigns 50% of the Participant's \$1,000 benefit, or \$500, to the Alternate Payee. Further assume that the Participant is age 60 and the Alternate Payee is age 55, and that both begin receiving payments when the Participant retires. In this case, the Alternate Payee is younger, and has a longer life expectancy than the Participant. Therefore, in order for the Alternate Payee's benefit to be actuarially equivalent to the \$500 benefit taken from the Participant, the Alternate Payee will receive a benefit smaller than \$500, perhaps \$450. The \$450 is calculated such that a \$450 monthly benefit for the remainder of the lifetime of a 55 year old retiree is precisely equivalent, on an actuarial basis, to a \$500 monthly benefit payable for the remainder of a 60 year old retiree's lifetime.

Example 2: Assume that an EDRO assigns 50% of the Participant's \$1,000 benefit, or \$500, to the Alternate Payee. Further assume that the Participant is age 60 and the Alternate Payee is age 65, and that both begin receiving payments

when the Participant retires. In this case, the Alternate Payee is older, and has a shorter life expectancy than the Participant. Therefore, in order for the Alternate Payee's benefit to be actuarially equivalent to the \$500 benefit taken from the Participant, the Alternate Payee will receive a benefit larger than \$500, perhaps \$550. The \$550 is calculated such that a \$550 monthly benefit for the remainder of the lifetime of a 65 year old retiree is precisely equivalent, on an actuarial basis, to a \$500 monthly benefit payable for the remainder of a 60 year old retiree's lifetime.

Section 5(2) of the EDRO Act states that in situations where the Alternate Payee commences receipt of payments *before* the Participant retires, the Alternate Payee receives the actuarial equivalent of his or her share of the Participant's benefit, based on an assumed retirement age of 60 for the Participant. The earlier commencement of the Alternate Payee's benefit, as well as the longer life expectancy at ages under 60, will result in a benefit to the Alternate Payee that is *lower* than the corresponding share of the Participant's benefit assigned to the Alternate Payee.

Example 3: Assume that an EDRO assigns 50% of the Participant's \$1,000 benefit, or \$500, to the Alternate Payee. Further assume that both the Participant and the Alternate Payee are age 55, and that the Alternate Payee commences early receipt of her benefit while the Participant continues working. In this case, the Alternate Payee may receive a benefit of only \$400 monthly, instead of \$500. The \$400 is calculated such that a \$400 monthly benefit payable for the remainder of the lifetime of a 55 year old retiree is precisely equivalent, on an actuarial basis, to a \$500 monthly benefit payable to a 55 year old person beginning in five years (i.e., when he attains age 60) and then for the remainder of that individual's lifetime.

Understanding Recoupment

The recoupment is the amount of monthly benefit that is subtracted from the Participant's total monthly payment, in order to reflect the portion of his or her benefit that was assigned to an Alternate Payee in an EDRO. The amount of the recoupment is determined so that the present value of the reduction in the Participant's benefit is exactly equal, on an actuarial basis, to the present value of the benefit being received by the Alternate Payee. This is mandated by the EDRO Act which prohibits the retirement system from paying out more money, due to an assignment of a portion of a benefit to an Alternate Payee, than the Participant would be entitled to receive in the absence of the EDRO.

Generally speaking, if the Participant and the Alternate Payee retire at the same time, the amount of the recoupment will be the same as the portion of the Participant's monthly benefit that is assigned to the Alternate Payee. Thus, for example, if \$500 of the Participant's \$1,000 accrued monthly benefit is assigned to an Alternate Payee, then the recoupment from the Participant will usually be \$500 if both the Participant and the Alternate Payee commence receiving benefits at the same time.

If the Alternate Payee elects to receive benefits under the early provision (i.e., *before* the Participant retires, and *before* the Participant attains age 60), then the recoupment from the Participant will be equal to the portion of his or her benefit assigned to the Alternate Payee if the Participant retires at age 60. For example, using the information from Example 3 on page 6, if the Participant retires at age 60 (i.e., five years after the Alternate Payee started commencement of her benefit), the recoupment from the Participant's benefit will be \$500 per month.

However, if the Participant retires *after* age 60, the Participant's eventual retirement benefit will be reduced by *more* than \$500. This is necessary in order to prevent a loss to the

retirement system on the share granted to the Alternate Payee. The reduction to the Participant's retirement benefit increases because the retirement system has a shorter period, based on the Participant's life expectancy, in which to recover the money paid to the Alternate Payee. This is because there is no opportunity to reduce the Participant's benefit between the time the Participant reaches age 60 and the time he or she actually retires.

The reduction to the Participant's benefit will start at a *later* age, and will last for a *shorter* period and, therefore, the amount of the reduction must be *larger* for the retirement system to recoup the entire value of the payments to the Alternate Payee. It may be helpful to think of the higher reduction to the Participant's share as similar to repaying a loan over 15 versus 18 years. The shorter the time to repay the loan, the larger the monthly payments will be.

For Participants who continue to work past age 60, the recoupment amount will continue to increase for each year that the Participant works up to age 65. At age 65, the recoupment amount is "frozen" and will continue at the age-65 rate.

For participants who work past age 60, the recoupment amount will typically increase by over 50% from age 60 to 65. Thus, for example, an EDRO granting \$500 of the Participant's benefit to the Alternate Payee will result in a recoupment amount of \$500 if the Participant retires at age 60, and over \$750 if he or she retires at age 65 or later.

About the Sample EDROs

The Office of Retirement Services (ORS) has developed a sample Eligible Domestic Relations Order (EDRO) for each retirement system. Orders that follow the appropriate sample are likely to be approved by ORS quickly and without requiring changes. The samples cover the most common types of EDRO provisions and are designed to be flexible within the constraints of both the EDRO Act and the applicable retirement statute.

While the sample EDRO does not cover every possible valid provision, orders that differ from the sample will require closer review and may result in longer processing time.

It is not uncommon for an order to be returned to the parties or their attorneys for modifications or corrections before the retirement system can determine that it meets the requirements of the EDRO law.

The EDRO Act states that the court's order must be filed *before* the Participant's retirement effective date. Therefore, where the parties wish to submit an order that differs substantially from the ORS sample, so long as they determine that they will have enough time to file a valid EDRO before the Participant retires, they may submit a *proposed* EDRO for the retirement system to review.

Reviewing the sample EDRO

Comments or explanations are shown inside parenthesis“()” and **should not be included in**

an EDRO. Text in square brackets “[]” is optional or gives a choice of two possibilities, for example [Plaintiff/Defendant]. **When two possibilities are in brackets, use only one.**

The EDRO states how much of the shared portion of the pension the Alternate Payee is to receive. The most common type of EDRO (see Alternative 1, sample Paragraph 5 (a)) assigns a percentage of the Participant's pension, payable in the form of a single life annuity or a joint survivor benefit. If applicable, the percentage may include an adjustment to take into consideration the Participant's pre-marital service.

A less common alternative (Alternative 2, sample paragraph 5 (a)) assigns a dollar amount to the Alternate Payee. One potential problem that can arise if the EDRO specifies a particular dollar amount is that the amount may be subject to an actuarial reduction. This could result in the Alternate Payee receiving less than the dollar amount stated. Also, an additional reduction to the amount would occur if the “earliest” provision is included in the EDRO.

Another potential problem with the EDRO stating a specific dollar amount, rather than a percentage to be divided, is that the Participant's pension may be reduced by an amount greater than the dollar amount assigned. The EDRO must state for whose lifetime the dollar amount is to be paid.

Judges Sample EDRO

Judges Sample EDRO

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff,

Case No. _____

vs.

HON. _____

Defendant.

Attorney for Plaintiff
{Address} _____

{Phone #} _____

Attorney for Defendant
{Address} _____

{Phone #} _____

ELIGIBLE DOMESTIC RELATIONS ORDER FOR THE MICHIGAN JUDGES RETIREMENT SYSTEM

At a session of said Court, held in the Courthouse, in the City of _____,
_____, County of _____, State of
Michigan, on the _____ day of _____, A.D. 20____

PRESENT HON: _____
Circuit Court Judge

This Order is intended to serve as an Eligible Domestic Relations Order (EDRO) by which **[Plaintiff/Defendant]**, _____, assigns a portion of **[his/her]** retirement benefits, under the retirement system specified below, to the **[Plaintiff/Defendant]**, _____, in accordance with the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq*; MSA 5.4002 (1) *et seq*) and the Michigan Judges Retirement Act (MCL

Judges Sample EDRO

38.2101, *et seq*; MSA 27.125 (101) *et seq*). [It is intended that this Order be incorporated in the Judgment of Divorce entered _____, 20____, and made a part thereof.]

1. The retirement system (the Plan) subject to this Order is as follows:

Michigan Judges Retirement System
Attn: Plan Administrator
Department of Management and Budget
Office of Retirement Services
P. O. Box 30171
Lansing, Michigan 48909-7671
(517) 322-5103

The EDRO Act requires that a copy of the Court's order be filed with the retirement system before the Participant's retirement allowance effective date.

2. The Participant is the [Plaintiff/Defendant], _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

3. The Alternate Payee is the [Plaintiff/Defendant], _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

4. The Participant and the Alternate Payee were married on (mm/dd/yyyy)_____, _____, and were [divorced/separated] on (mm/dd/yyyy)_____, _____.

5. The Participant assigns to the Alternate Payee a portion of the Participant's benefits from the Plan and the Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

Judges Sample EDRO

Paragraph 5(a)
Alternative 1
Percentage

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of ____% of the Participant's retirement allowance, **(Note: This includes a prorata share of any post-retirement increases, unless the order specifically excludes these increases. See page 3 of this booklet.)** which has accrued as of (mm/dd/yyyy)_____, _____, and which percentage takes into account the [years of service, if any, that were accrued prior to the date of marriage, or that have accrued from the date of marriage.]

IMPORTANT: Paragraph 5(a) Alternative 2 is not common and after actuarial adjustments, generally results in the Alternate Payee receiving less than the actual dollar amount stated in the EDRO. See page 8 of this booklet.)

Paragraph 5(a)
Alternative 2
Dollar
Amount —
delete 5(b)
and 5(e)

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of \$_____ of the Participant's retirement allowance. In addition, the amount of any post retirement increase payable to the Alternate Payee is \$_____. **(Note: The dollar amount of a post-retirement increase must be stated, unless the order specifically excludes these increases. See page 3 of this booklet.)**

Paragraph 5(b)
Alternative 1
Single Life
Annuity payable
during
Participant's
Lifetime.

- (b) The benefit payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan and will be in the form of a single life annuity payable during the lifetime of the Participant. If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee's benefit shall be reduced by the same factor.

Paragraph 5(b)
Alternative 2
Single Life
Annuity payable
during the
Alternate
Payee's Lifetime.

- (b) The benefit payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan **[or will begin early pursuant to paragraph 5(b)(i)]** and will be payable during the lifetime of the Alternate Payee. **(Note: An actuarial adjustment to the Alternate Payee's benefit will be made to reflect the difference in life expectancies.)**

Paragraph 5(b)
Alternative 3
Joint Survivor
Option.

- (b) The Alternate Payee's benefit will commence when the Participant begins to receive benefits under the Plan and will be in the form of the Plan's 50% Joint Survivor Option. While both parties are alive, the Plan will pay the Alternate Payee _____% **(generally, this percentage matches the percentage stated in paragraph 5(a), Alternative 1)** of the reduced 50% Joint Survivor Option.

Judges Sample EDRO

Paragraph 5(b)(i)
Optional
Alternate Payee
may begin
receiving
payments at the
“Earliest”
Retirement
Date.

- (b)(i) The Alternate Payee will have the right to elect to receive benefit payments under the Plan at any time beginning when the Participant reaches the earliest retirement date as defined in Section 2(d) of the Eligible Domestic Relations Order Act MCL 38.1701 *et seq*). If the alternate payee begins receiving payments pursuant to this provision, payment shall be in the form of a single life annuity payable during the lifetime of the Alternate Payee. **(See *Understanding Recoupment* on page 7 of this booklet.)** If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee’s benefit shall also be reduced by the same early retirement factor.
- (c) If the Alternate Payee predeceases the Participant before the Alternate Payee begins receiving payments under this Order, the Alternate Payee’s interest shall revert to the Participant.
- (d) The Alternate Payee shall include in the Alternate Payee’s gross income, for the tax year of receipt, all retirement benefit distributions that the Alternate Payee receives pursuant to the Participant’s assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in the Participant’s gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment of distribution that is made to the Alternate Payee’s under the Participant’s assignment of benefits under this EDRO.
- (e) The Participant and the Alternate Payee agree to share any additional costs for actuarial services incurred by the Plan due to the review and implementation of the terms of this Order. The Alternate Payee’s share of said costs shall be in proportion to the Alternate Payee’s share of the Participant’s retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

IMPORTANT: By including paragraph 5(f) in the EDRO, the Alternate Payee’s interest in the benefit is protected in the event the Participant predeceases the Alternate Payee before the Alternate Payee begins receiving payments. (See *Pre-Retirement Survivor Benefits* on page 3 of this booklet.)

Paragraph 5(f)
Optional

- (f) Until such time as the Alternate Payee begins receiving payments pursuant to this order, the Alternate Payee shall be designated as the surviving spouse for purposes of the Plan’s pre-retirement survivor annuity benefit for that portion of the retirement allowance stated in Paragraph 5(a).

Judges Sample EDRO

6. This assignment of benefits does not require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan. This assignment does not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment does not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined by the retirement system to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (1991 Public Act 46).
7. The Participant, the Alternate Payee, and the Court intend this Order to be an EDRO under the Eligible Domestic Relations Order Act, the Plan and related laws.
8. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's share of the Participant's accrued retirement benefit as defined in Paragraph 5(a). In the event the administrator of the Plan determines this Order not to be an EDRO satisfactory to the Plan, the Participant and the Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an EDRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered *nunc pro tunc*, if appropriate, so as to comply with the EDRO Act, the Plan and related laws.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff

P _____

Date _____

Attorney for Defendant

P _____

Date _____

Distribution of copies:

- Original to Circuit Court Clerk
- True copy to Plan Administrator at address given in Paragraph 1

Public School Employees Sample EDRO

Public School Employees Sample EDRO

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff,

Case No. _____

vs.

HON. _____

Defendant.

Attorney for Plaintiff
{Address} _____

{Phone #} _____

Attorney for Defendant
{Address} _____

{Phone #} _____

ELIGIBLE DOMESTIC RELATIONS ORDER FOR THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

At a session of said Court, held in the Courthouse, in the City of _____,
County of _____, State of
Michigan, on the _____ day of _____, A.D. 20____

PRESENT HON: _____
Circuit Court Judge

This Order is intended to serve as an Eligible Domestic Relations Order (EDRO) by which **[Plaintiff/Defendant]**, _____, assigns a portion of **[his/her]** retirement benefits, under the retirement system specified below, to the **[Plaintiff/Defendant]**, _____, in accordance with the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq*; MSA 5.4002 (1) *et seq*) and the Michigan Public School Employees Retirement Act (MCL 38.1301 *et seq*; MSA 15.893 (111) *et seq*). **[It is intended that this**

Public School Employees Sample EDRO

Order be incorporated in the Judgment of Divorce entered _____,
20____, and made a part thereof.]

1. The retirement system (the Plan) subject to this Order is as follows:

Michigan Public School Employees Retirement System

Attn: Plan Administrator
Department of Management and Budget
Office of Retirement Services
P. O. Box 30171
Lansing, Michigan 48909-7671
(517) 322-5103

The EDRO Act requires that a copy of the Court's order be filed with the retirement system before the Participant's retirement allowance effective date.

2. The Participant is the **[Plaintiff/Defendant]**, _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

3. The Alternate Payee is the **[Plaintiff/Defendant]**, _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

4. The Participant and the Alternate Payee were married on (mm/dd/yyyy) _____, _____, and were **[divorced/separated]** on (mm/dd/yyyy) _____, _____.

5. The Participant assigns to the Alternate Payee a portion of the Participant's benefits from the Plan and the Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

Public School Employees Sample EDRO

Paragraph 5(a)
Alternative 1
Percentage

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of ____% of the Participant's retirement allowance, **(Note: This includes a prorata share of any post-retirement increases, unless this order specifically excludes these increases. See page 3 of this booklet.)** which has accrued as of (mm/dd/yyyy)_____, _____, and which percentage takes into account the [years of service, if any, that were accrued prior to the date of marriage, or years of service that have accrued from the date of marriage.]

IMPORTANT: Paragraph 5(a) *Alternative 2* is not common and after actuarial adjustments, generally results in the Alternate Payee receiving less than the actual dollar amount stated in the EDRO. See page 8 of this booklet.)

Paragraph 5(a)
Alternative 2
Dollar Amount

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of \$_____ of the Participant's retirement allowance. In addition, the amount of any post retirement increase payable to the Alternate Payee is \$_____. **(Note: The dollar amount of a post-retirement increase must be stated, unless the order specifically excludes these increases. See page 3 of this booklet.)**

Paragraph 5(b)
Alternative 1
Single Life
Annuity payable
during the
Participant's
Lifetime.

- (b) The benefits payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan and will be in the form of a single life annuity payable during the lifetime of the Participant. If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee's benefit shall be reduced by the same factor.

Paragraph 5(b)
Alternative 2
Single Life
Annuity payable
during the
Alternate
Payee's Lifetime.

- (b) The benefits payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan **(or will begin early pursuant to paragraph 5(b)(i))** and will be in the form of a single life annuity payable during the lifetime of the Alternate Payee. **(Note: An actuarial adjustment to the Alternate Payee's benefit will be made to reflect the difference in life expectancies.)**

Paragraph 5(b)
Alternative 3
Joint Survivor
Option.

- (b) The Alternate Payee's benefit will begin when the Participant begins to receive benefits under the Plan and will be in the form of the Plan's [50%, 75%, or 100%] Joint Survivor Option. While both parties are alive, the Plan will pay the Alternate Payee _____% **(generally, this percentage matches the percentage stated in Paragraph 5(a), Alternative 1)** of the reduced [50%, 75%, or 100%] Joint Survivor Option.

Public School Employees Sample EDRO

Paragraph 5(b)(i)
Optional
Alternate Payee
may begin
receiving
payments at the
"Earliest"
Retirement
Date.

- (b)(i) The Alternate Payee will have the right to elect to receive benefit payments under the Plan at any time beginning when the Participant reaches the earliest retirement date as defined in Section 2(d) of the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq*). If the Alternate Payee begins receiving payments pursuant to this provision, payment will be in the form of a single life annuity payable during the lifetime of the Alternate Payee. **(See *Understanding Recoupment* on page 7 of this booklet.)** If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee's benefit shall also be reduced by the same early retirement factor.
- (c) If the Alternate Payee predeceases the Participant before the Alternate Payee begins receiving payments under this Order, the Alternate Payee's interest shall revert to the Participant.
- (d) The Alternate Payee shall include in the Alternate Payee's gross income, for the tax year of receipt, all retirement benefit distributions that the Alternate Payee receives pursuant to the Participant's assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in the Participant's gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment of distribution that is made to the Alternate Payee under the Participant's assignment of benefits under this EDRO.
- (e) The Participant and the Alternate Payee agree to share any additional costs for actuarial services incurred by the Plan due to the review and implementation of the terms of this Order. The Alternate Payee's share of said costs shall be in proportion to the Alternate Payee's share of the Participant's retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

IMPORTANT: By including paragraph 5(f) in the EDRO, the Alternate Payee's interest in the benefit is protected in the event the Participant predeceases the Alternate Payee before the Alternate Payee begins receiving payments. (See *Pre-Retirement Survivor Benefits* on page 3 of this booklet.)

Paragraph 5(f)
Optional

- (f) Until such time as the Alternate Payee begins receiving payments pursuant to this order, the Alternate Payee shall be designated as the surviving spouse for purposes of the Plan's pre-retirement survivor annuity benefit for that portion of the retirement allowance stated in Paragraph 5(a).

Public School Employees Sample EDRO

6. This assignment of benefits does not require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan. This assignment does not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment does not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined by the retirement system to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (1991 Public Act 46).
7. The Participant, the Alternate Payee, and the Court intend this Order to be an EDRO under the Eligible Domestic Relations Order Act, the Plan, and related laws.
8. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's share of the Participant's accrued retirement benefit as defined in Paragraph 5(a). In the event the administrator of the Plan determines this Order not to be an EDRO satisfactory to the Plan, the Participant and the Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an EDRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered *nunc pro tunc*, if appropriate, so as to comply with the EDRO Act, the Plan, and related laws.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff

Date_____

Attorney for Defendant

Date_____

Distribution of copies:

- Original to Circuit Court Clerk
- True copy to Plan Administrator at address given in paragraph 1

State Employees' Sample EDRO

State Employees' Sample EDRO

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff,

Case No. _____

vs.

HON. _____

Defendant.

Attorney for Plaintiff
{Address} _____

{Phone #} _____

Attorney for Defendant
{Address} _____

{Phone #} _____

ELIGIBLE DOMESTIC RELATIONS ORDER FOR THE MICHIGAN STATE EMPLOYEES' RETIREMENT SYSTEM

At a session of said Court, held in the Courthouse, in the City of _____,
_____, County of _____, State of
Michigan, on the _____ day of _____, A.D. 20____

PRESENT HON: _____
Circuit Court Judge

This Order is intended to serve as an Eligible Domestic Relations Order (EDRO) by which **[Plaintiff/Defendant]**, _____, assigns a portion of **[his/her]** retirement benefits, under the retirement system specified below, to the **[Plaintiff/Defendant]**, _____, in accordance with the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq*; MSA 5.4002 (1) *et seq*) and the Michigan State Employees' Retirement Act

State Employees' Sample EDRO

(MCL 38.1 *et seq*, MSA 3.981 (1) *et seq*). [It is intended that this Order be incorporated in the Judgment of Divorce entered _____, 20____, and made a part thereof.]

1. The retirement system (the Plan) subject to this Order is as follows:

Michigan State Employees' Retirement System

Attn: Plan Administrator
Department of Management and Budget
Office of Retirement Services
P. O. Box 30171
Lansing, Michigan 48909-7671
(517) 322-5103

The EDRO Act requires that a copy of the Court's order be filed with the retirement system before the Participant's retirement allowance effective date.

2. The Participant is the [Plaintiff/Defendant], _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

3. The Alternate Payee is the [Plaintiff/Defendant], _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

4. The Participant and the Alternate Payee were married on (mm/dd/yyyy) _____, _____, and were [divorced/separated] on (mm/dd/yyyy) _____, _____.

5. The Participant assigns to the Alternate Payee a portion of he Participant's benefits from the Plan and the Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

State Employees' Sample EDRO

Paragraph 5(a)
Alternative 1
Percentage

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of ____% of the Participant's retirement allowance, **(Note: This includes a prorata share of any post-retirement increases, unless the order specifically excludes these increases. See page 3 of this booklet.)** which has accrued as of (mm/dd/yyyy)_____ and which percentage takes into account the [years of service, if any, that were accrued prior to the date of marriage, or years of service that have accrued from the date of marriage.]

IMPORTANT: Paragraph 5(a) *Alternative 2* is not common and after actuarial adjustments, generally results in the Alternate Payee receiving less than the actual dollar amount stated in the EDRO. See page 8.)

Paragraph 5(a)
Alternative 2
Dollar Amount

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of \$_____ of the Participant's retirement allowance. In addition, the amount of any post retirement increase payable to the Alternate Payee is \$_____. **(Note: The dollar amount of a post-retirement increase must be stated, unless the order specifically excludes these increases. See page 3 of this booklet.)**

Paragraph 5(b)
Alternative 1
Single Life
Annuity payable
during the
Participant's
Lifetime.

- (b) The benefits payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan and will be in the form of a single life annuity payable during the lifetime of the Participant. If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee's benefit shall be reduced by the same factor.

Paragraph 5(b)
Alternative 2
Single Life
Annuity payable
during the
Alternate
Payee's Lifetime.

- (b) The benefit payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan **(or will begin earlier pursuant to paragraph 5 (b)(i))** and will be in the form of a single life annuity payable during the lifetime of the Alternate Payee. **(Note: An actuarial adjustment to the Alternate Payee's benefit will be made to reflect the difference in life expectancies.)**

Paragraph 5(b)
Alternative 3
Joint Survivor
Option.

- (b) The Alternate Payee's benefit will begin when the Participant begins to receive benefits under the Plan and will be in the form of the Plan's [50%, 75%, or 100%] Joint Survivor Option. While both parties are alive, the Plan will pay the Alternate Payee _____ % **(generally, this percentage matches the percentage stated in Paragraph 5(a), Alternative 1)** of the reduced [50%, 75%, or 100%] Joint Survivor Option.

State Employees' Sample EDRO

Paragraph 5(b)(i)
Optional
Alternate Payee
may begin
receiving
payments at the
"Earliest"
Retirement Date.

- (b)(i) The Alternate Payee will have the right to elect to receive benefit payments under the Plan at any time beginning when the Participant reaches the earliest retirement date as defined in Section 2 (d) of the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq.*). If the Alternate Payee begins receiving payments pursuant to this provision, payment shall be in the form of a single life annuity payable during the lifetime of the Alternate Payee. **(See *Understanding Recoupment* on page 7 of this booklet.)** If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee's benefit shall also be reduced by the same early retirement factor.
- (c) If the Alternate Payee predeceases the Participant before the Alternate Payee begins receiving payments under this Order, the Alternate Payee's interest shall revert to the Participant.
- (d) The Alternate Payee shall include in the Alternate Payee's gross income, for the tax year of receipt, all retirement benefit distributions that the Alternate Payee receives pursuant to the Participant's assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in the Participant's gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment of distribution that is made to the Alternate Payee under the Participant's assignment of benefits under this EDRO.
- (e) The Participant and the Alternate Payee agree to share any additional costs for actuarial services incurred by the Plan due to the review and implementation of the terms of this Order. The Alternate Payee's share of said costs shall be in proportion to the Alternate Payee's share of the Participant's retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

IMPORTANT: By including paragraph 5(f) in the EDRO, the Alternate Payee's interest in the benefit is protected in the event the Participant predeceases the Alternate Payee before the Alternate Payee begins receiving payments. (See *Pre-Retirement Survivor Benefits* on page 3 of this booklet.)

Paragraph 5(f)
Optional

- (f) Until such time as the Alternate Payee begins receiving payments pursuant to this order, the Alternate Payee shall be designated as the surviving spouse for purposes of the Plan's pre-retirement survivor annuity benefit for that portion of the retirement allowance stated in Paragraph 5(a).

State Employees' Sample EDRO

6. This assignment of benefits does not require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan. This assignment does not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment does not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined by the Retirement System to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (1991 Public Act 46).
7. The Participant, the Alternate Payee, and the Court intend this Order to be an EDRO under the Eligible Domestic Relations Order Act (1991 Public Act 46), the Plan, and related laws.
8. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's share of the Participant's accrued retirement benefit as defined in Paragraph 5(a). In the event the administrator of the Plan determines this Order not to be an EDRO satisfactory to the Plan, the Participant and the Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an EDRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered *nunc pro tunc*, if appropriate, so as to comply with the EDRO Act, the Plan, and related laws.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff

Date _____

Attorney for Defendant

Date _____

Distribution of copies:

- Original to Circuit Court Clerk
- True copy to Plan Administrator at address given in Paragraph 1

State Police

Sample

EDRO

State Police Sample EDRO

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF _____

Plaintiff,

Case No. _____

vs.

HON. _____

Defendant.

Attorney for Plaintiff P _____

{Address} _____

{Phone #} _____

Attorney for Defendant P _____

{Address} _____

{Phone #} _____

ELIGIBLE DOMESTIC RELATIONS ORDER FOR THE MICHIGAN STATE POLICE RETIREMENT SYSTEM

At a session of said Court, held in the Courthouse, in the City of _____, County of _____, State of _____, Michigan, on the _____ day of _____, A.D. 20____

PRESENT HON: _____
Circuit Court Judge

This Order is intended to serve as an Eligible Domestic Relations Order (EDRO) by which **[Plaintiff/Defendant]**, _____, assigns a portion of **[his/her]** retirement benefits, under the retirement system specified below, to the **[Plaintiff/Defendant]**, _____, in accordance with the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq*; MSA 5.4002 (1) *et seq*) and the Michigan State Police Retirement Act (MCL 38.1601 *et seq*; MSA 5.4002 (101) *et seq*). **[It is intended that this Order be incorporated**

State Police Sample EDRO

in the Judgment of Divorce entered _____, 20____, and made a part thereof.]

1. The retirement system (the Plan) subject to this Order is as follows:

Michigan State Police Retirement System

Attn: Plan Administrator
Department of Management and Budget
Office of Retirement Services
P. O. Box 30171
Lansing, Michigan 48909-7671
(517) 322-5103

The EDRO Act requires that a copy of the Court's order be filed with the retirement system before the Participant's retirement allowance effective date.

2. The Participant is the **[Plaintiff/Defendant]**, _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

3. The Alternate Payee is the **[Plaintiff/Defendant]**, _____, Social Security No. ____-____-____; date of birth _____; whose last known address is:

4. The Participant and the Alternate Payee were married on (mm/dd/yyyy) _____, _____, and were **[divorced/separated]** on (mm/dd/yyyy) _____, _____.

5. The Participant assigns to the Alternate Payee a portion of the Participant's benefits from the Plan and the Plan will pay benefits to the Alternate Payee according to the following terms and conditions:

State Police Sample EDRO

Paragraph 5(a)
Alternative 1
Percentage

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of ____% of the Participant's retirement allowance, **(Note: This includes a prorata share of any post-retirement increases, unless the order specifically excludes these increases. See page 3 of this booklet.)** which has accrued as of (mm/dd/yyyy)_____, _____, and which percentage takes into account the [years of service, if any, that were accrued prior to the date of marriage, or years of service that have accrued from the date of marriage.]

IMPORTANT: Paragraph 5(a) *Alternative 2* is not common and after actuarial adjustments, generally results in the Alternate Payee receiving less than the actual dollar amount stated in the EDRO. See page 8 of this booklet.)

Paragraph 5(a)
Alternative 2
Dollar Amount

- (a) It is the parties' intention, and the order of this Court, that the Alternate Payee receive a monthly benefit from the Plan of \$_____ of the Participant's retirement allowance. In addition, the amount of any post retirement increase payable to the Alternate Payee is \$_____. **(Note: The dollar amount of a post-retirement increase must be stated, unless the order specifically excludes these increases. See page 3 of this booklet.)**

Paragraph 5(b)
Alternative 1
Single Life
Annuity payable
during the
Participant's
Lifetime.

- (b) The benefit payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan and will be in the form of the Plan's Single Life Annuity payable during the lifetime of the Participant.

Paragraph 5(b)
Alternative 2
Single Life
Annuity payable
during the
Alternate
Payee's
Lifetime.

- (b) The benefit payable to the Alternate Payee will begin when the Participant begins to receive benefits under the Plan [or will begin early pursuant to paragraph 5(b)(i)] and will be payable during the lifetime of the Alternate Payee. **(Note: An actuarial adjustment to the Alternate Payee's benefit will be made to reflect the difference in life expectancies.)**

State Police Sample EDRO

Paragraph 5(b)(i)
Optional
Alternate Payee
may begin
receiving
payments at the
"Earliest"
Retirement
Date.

- (b)(i) The Alternate Payee will have the right to elect to receive benefit payments under the Plan at any time beginning when the Participant reaches the earliest retirement date as defined in Section 2(d) of the Eligible Domestic Relations Order Act (MCL 38.1701 *et seq.*). If the Alternate Payee begins receiving payments pursuant to this provision, payment will be in the form of a single life annuity payable during the lifetime of the Alternate Payee. **(See *Understanding Recoupment* on page 7 of this booklet.)** If the Participant elects to receive an early-reduced retirement benefit, the Alternate Payee's benefit shall also be reduced by the same early retirement factor.
- (c) If the Alternate Payee predeceases the Participant before the Alternate Payee begins receiving payments under this Order, the Alternate Payee's interest shall revert to the Participant.
- (d) The Alternate Payee shall include in the Alternate Payee's gross income, for the tax year of receipt, all retirement benefit distributions that the Alternate Payee receives pursuant to the Participant's assignment of benefits under this EDRO; and, accordingly, the Participant shall not include such benefit distributions in the Participant's gross income. The Alternate Payee shall be treated as the sole distributee under IRC Sections 72 and 402 of any payment of distribution that is made to the Alternate Payee under the Participant's assignment of benefits under this EDRO.
- (e) The Participant and the Alternate Payee agree to share any additional costs for actuarial services incurred by the Plan due to the review and implementation of the terms of this Order. The Alternate Payee's share of said costs shall be in proportion to the Alternate Payee's share of the Participant's retirement allowance awarded to the Alternate Payee under Paragraph 5(a).

IMPORTANT: By including paragraph 5(f) in the EDRO, the Alternate Payee's interest in the benefit is protected in the event the Participant predeceases the Alternate Payee before the Alternate Payee begins receiving payments. (See *Pre-Retirement Survivor Benefits* on page 3 of this booklet.)

Paragraph 5(f)
Optional

- (f) Until such time as the Alternate Payee begins receiving payments pursuant to this order, the Alternate Payee shall be designated as the surviving spouse for purposes of the Plan's pre-retirement survivor annuity benefit for that portion of the retirement allowance stated in Paragraph 5(a).

State Police Sample EDRO

6. This assignment of benefits does not require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan. This assignment does not require the Plan to provide increased benefits, determined on the basis of actuarial equivalent values. This assignment does not require the Plan to provide benefits to the Alternate Payee which are required to be paid to another alternate payee under another order previously determined by the retirement system to be an EDRO, or as otherwise provided by Section 11 of the Eligible Domestic Relations Order Act (1991 Public Act 46).
7. The Participant, the Alternate Payee, and the Court intend this Order to be an EDRO under the Eligible Domestic Relations Order Act (1991 Public Act 46), the Plan, and related laws.
8. The parties agree that their mutual intent is to provide the Alternate Payee with a retirement payment that fairly represents what they have agreed to be the Alternate Payee's share of the Participant's accrued retirement benefit as defined in Paragraph 5(a). In the event the administrator of the Plan determines this Order not to be an EDRO satisfactory to the Plan, the Participant and the Alternate Payee hereby agree to submit to and request a court of competent jurisdiction to modify the Order to make it an EDRO satisfactory to the Plan in such a manner that will reflect the parties' intent as herein expressed and thereafter to enter an order modifying this Order, said modification order to be entered *nunc pro tunc*, if appropriate, so as to comply with EDRO Act, the Plan, and related laws.

Circuit Court Judge

Approved as to form:

Attorney for Plaintiff

P _____

Date _____

Attorney for Defendant

P _____

Date _____

Distribution of copies:

- Original to Circuit Court Clerk
- True copy to Plan Administrator at address given in paragraph 1